

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 /036 W  
-----104359 031529Z /46

P 031450Z MAR 78

FM AMEMBASSY WARSAW

TO SECSTATE WASHDC PRIORITY 3649

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EO 11652N/A

TAGS: EAIR, PL

SUBJ: CIVAIR: CHARTER AND AIR FARES

REF: STATE 052857

1. ON MARCH 3, THE EMBASSY DELIVERED THE NOTE CONTAINED IN REFTEL TO THE MINISTRY OF FOREIGN AFFAIRS. OUR CONTACTS, LUKASIK OF THE MINISTRY OF FOREIGN AFFAIRS AND ZYLYCZ OF THE CIVIL AIR ADMINISTRATION, ARE NOT AVAILABLE UNTIL MONDAY, MARCH 6. AN EMBASSY OFFICER WILL MEET WITH THEM AS SOON AS POSSIBLE TO INFORM THEM ORALLY OF USG DISSATISFACTION BECAUSE OF GOP FAILURE TO APPROVE ALL US AIRLINE CHARTER PROGRAMS.

2. THE POLISH CIVIL AIR ADMINISTRATION APPROVED, FEBRUARY 13, NINE ADDITIONAL ABC/ITC CHARTERS FROM THE US. THERE ARE NOW A TOTAL OF 31 APPROVALS OF PAN AM'S CHARTERS. PAN AM ORIGINALLY APPLIED FOR 70 CHARTERS FOR THE 1978 SUMMER SEASON.

3. ON MARCH 2, AN EMBASSY OFFICER MET WITH BOCWINSKI, THE WARSAW PAN AM REPRESENTATIVE, AND TWO BUSINESSMEN FROM "AMERICAN TRAVEL ABROAD", A TRAVEL AGENCY WHICH ACCOUNTS FOR A SIGNIFICANT PERCENTAGE OF THE TRAVEL FROM THE US TO POLAND. THE TRAVEL AGENTS SAID THEY NEW LOT  
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FARES HAVE DESTROYED THE CHARTER BUSINESS IN THE US. AT THIS TIME LAST YEAR, AMERICAN TRAVEL ABROAD HAD SOLD ABOUT 4,000 SEATS ON CHARTERS (THIS BROKE DOWN TO PAN AM SHARING 55 PERCENT AND LOT 45 PERCENT). AS OF MARCH 1, 1978, THE TRAVEL AGENCY HAS MADE A TOTAL OF 50 TO 60 BOOKINGS ON CHARTERS. AS A RESULT, THE AGENCY WILL CANCEL RESERVATIONS FOR 25 PAN AM PLANES NEXT WEEK AND

PROBABLY MORE IN THE NEAR FUTURE AS THE SITUATION WORSENS.

4. THE TRAVEL AGENCY REPRESENTATIVES SAID THE LOT  
FARES APPEAR TO BE MUCH LOWER THAN THE COSTS OF THE FLIGHT.  
AN EXAMPLE IS THE ROUNDTrip CHICAGO-NEW YORK-WARSAW FARE.  
LOT CHARGES \$560, \$60 MORE THAN THE ROUNDTrip NEW YORK-  
WARSAW FARE. LOT MUST PAY TWA \$150 ON EACH FARE, SO LOT  
MUST MAKE UP THE \$90 DIFFERENCE. IN ADDITION,  
LOT IS OFFERING COMMISSIONS TO TRAVEL AGENTS OF 20 TO 25  
PERCENT. THE \$560 ROUNDTrip SUPERAPEX TICKET FROM  
CHICAGO WILL NET LOT ONLY \$298, SIGNIFICANTLY LESS  
THAN THE \$400 PRICE PER SEAT AT IT SELLS ITS CHARTERS  
TO THE TRAVEL AGENCIES. (THE PRICE TO THE  
TRAVEL AGENCY IS NOT THE PRICE TO THE TRAVELER FOR A CHARTER  
FLIGHT TICKET. AFTER ADMINISTRATIVE COSTS AND PROFITS ARE  
CALCULATED, THE TRAVELER PAYS OVER \$500 FOR A CHARTER TICKET).

5. THE TRAVEL AGENTS SPECULATED THAT LOT WILL PROBABLY  
APPROVE PAN AM'S CHARTERS ONLY AFTER ITS OWN FLIGHTS  
HAVE BEEN COMPLETELY BOOKED. THE AGENTS FELT THAT ANY  
FURTHER DELAY IN GAINING APPROVAL FOR THE CHARTERS WILL  
ELIMINATE CHARTER TRAFFIC FOR THE 1978 SUMMER SEASON.  
SINCE LOT'S PRICE IS UNMATCHED BY PAN AM EITHER IN  
CHARTERS OF APEX TICKETS, THE AGENT SAID LOT IS  
GAINING A MAJOR SHARE OF THE MARKET.

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NNN

## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR FARES, SUPPLEMENTAL AIRLINES, MEETINGS  
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**Draft Date:** 03 mar 1978  
**Decaption Date:** 01 jan 1960  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
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